

## Office of Personnel Management

## § 892.103

- 892.207 Can I make changes to my FEHB enrollment while I am participating in premium conversion?
- 892.208 Can I change from self-and-family enrollment in FEHB to self-only enrollment at any time?
- 892.209 Can I cancel FEHB coverage at any time?
- 892.210 Does premium conversion change the effective date of an FEHB enrollment, change in enrollment, or cancellation of enrollment?
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AUTHORITY: 5 U.S.C. 8913; 26 U.S.C. 125.

SOURCE: 65 FR 44646, July 19, 2000, unless otherwise noted.

## Subpart A—Administration and General Provisions

### § 892.101 Definitions.

*Days* mean calendar days.

*Dependent* means a family member who is both eligible for coverage under the FEHB Program and a dependent as defined in section 152 of the Internal Revenue Code.

*FEHB Program* means the Federal Employees Health Benefits Program described in 5 U.S.C. 8901.

*Open Season* means the period of time each year as described in § 890.301(f) of this chapter when all individuals eligible for FEHB coverage have the opportunity to enroll or change their enrollment. These changes become effective with the first pay period that begins in the following year. For additional open seasons authorized by OPM, the effective date is specified.

*OPM* means the Office of Personnel Management.

*Qualifying life event* means events that may permit election changes as

described in Treasury regulations at 26 CFR 1.125-4 and includes the following:

- (1) Addition of a dependent;
- (2) Birth or adoption of a child;
- (3) Changes in entitlement to Medicare or Medicaid for you, your spouse or dependent;
- (4) Change in work site;
- (5) Change in your employment status or that of your spouse or Dependent from either full-time to part-time, or the reverse;
- (6) Death of your spouse or Dependent;
- (7) Divorce or annulment;
- (8) Loss of a Dependent;
- (9) Marriage;
- (10) Significant change in the health coverage of you or your spouse related to your spouse's employment;
- (11) Start or end of an unpaid leave of absence by you or your spouse; or
- (12) Start or end of your spouse's employment.

### § 892.102 What is premium conversion and how does it work?

Premium conversion is a method of reducing your taxable income by the amount of your contribution to your FEHB insurance premium. If you are a participant in the premium conversion plan, Section 125 of the Internal Revenue Code allows you to reduce your salary (through an employer allotment) and provide that portion of your salary back to your employer. Instead of being paid to you as taxable income, this allotted amount is used to purchase your FEHB insurance for you. The effect is that your taxable income is reduced. Because taxable income is reduced, the amount of tax you pay is reduced. You save on Federal income tax, Social Security and Medicare tax and in most States and localities, State and local income taxes.

### § 892.103 What can I do if I disagree with my agency's decision about my pre-or post-tax election?

You may use the reconsideration procedure set out at §§ 890.104 of this chapter to request an agency to reconsider its initial decision affecting your participation in the premium conversion plan.